



Administrative Assistant to the Selectmen

Stu Marckoon
606 Douglas Hwy
Lamoine, ME 04605
(207) 667-2242

town@lamoine-me.gov

Proposed Revenues Budget FY 2017/18

The revenues to offset property taxes in the 2017/18 budget are outlined below. In keeping with past years, the revenues are (hopefully) understated to some extent, but have some basis in reality. In other words, we actually expect some of the operating revenues to be higher than proposed, but wish to budget conservatively just in case something catastrophic happens to the economy.

You'll notice the bottom line shows a decrease of \$282,107.02. That's because the bottom line includes state (and other sources) of school funding, and those figures are not known yet, as the school budget won't be submitted until after the annual town meeting. If you take away the school revenues (\$317,213.75), you'll see a proposal to increase the revenue portion of the municipal budget by \$35,106.73.

Interest – Property Taxes – No change is proposed to the \$10,000 revenue line from this account. We've averaged more than that over the past five years. There is a chance this could drop. Between economic improvements and bank foreclosures, property tax collections seem to be improving which means less interest is being paid.

Automobile Excise Tax – The same economic improvement referenced above is good for excise tax. Last year (FY 15/16) was the biggest year ever for excise tax collections in town at \$324,000. We're on pace to surpass that this year, although there is a cycle to collections. They are generally increased between April and October, and drop off in the winter. The proposed \$305,000 is a conservative estimate, but \$5,000 more than the current year budget.

Boat Excise Tax – No change is proposed to the \$3,500 line. That's been roughly the average over the past five years, and is just under the previous fiscal year. Most of the excise tax is collected between April and July.

Administration Fees – Having a pretty useful website and good technology has eaten into the fee revenue. Photocopying is down, we don't charge for faxes anymore, so the proposed amount drops by \$50.00. This is not a significant portion of the town's revenue stream.

Tax Lien Charges – The proposed budget is not changed from the previous year and mirrors the tax lien cost line in the Administration Budget since these are paid by the property owner when the liens are paid.

Agent Fees – The actual amount of agent fees dropped off a bit in FY 16, possibly because of on-line registrations, though the number of those registrations doesn't seem to be up sharply. Presuming this is a continuing trend, a \$500 decrease is budgeted.

Revenue Sharing – We have no idea what the state government will do with revenue sharing. This is one of those lines that we won't know until the projection is released

sometime next spring. Given past history, a roughly 10% reduction is inserted into this budget. This item is NOT included in the town meeting article, as the revenue sharing figure (by statute) is entered onto the property tax commitment separately from other town revenues.

General Assistance Reimbursement – This figure represents 90% of the expense line in the administration budget, as the state reimburses the town for 90% of its GA expenditures.

Investment Interest – Interest rates have not changed significantly, but our return on this line has jumped a bit in the last couple of years. The reason for that can be directly tied to improved cash flow since withdrawal from RSU 24. Simply put, we have more money in the bank for a longer period of time, and therefore we're earning more interest on it. In the past fiscal year we earned \$10,500. The proposed \$10,000 revenue budget is reflective of that.

Cell Tower Rental – This figure is set by contract with American Tower.

Hodgkins Trust Fund – Using \$5,000 from this fund is proposed as part of an offset to pay for an electronic sign at the town hall.

Surplus Use – We have not yet received the final audit figures from the auditor, but it was a good year last year. The rough estimate is that we ended the year with an undesignated fund balance of \$490,000. Some of the reasons for the increase are no significant tax abatements, which means the property tax overlay was not hit, higher than expected excise tax collections, and lower than budgeted general fund expenditures. The surplus target has been \$300,000. The current year budget has used \$56,200 in surplus to offset property taxes. The proposed \$65,000 will leave a fund balance well above the target, yet offset some of the proposed capital expenses.

DEDICATED FUND REVENUE

CEO Fees – Last year saw much higher than projected permit fees. This line has a direct tie to the economy, and while it's hoped that folks will continue to seek permits to build houses, it's not a given, therefore the proposed revenue line remains at \$7,000.

CEO Fund Balance Transfer – The unaudited fund balance looks to be in the neighborhood of \$41,000. Part of the reason for this is better than budgeted revenue the past few years, and lower than budgeted expenses. This is a result in a change in the way the CEO is compensated – based partially on a set number of hours per week and then hourly for those hours worked beyond that base. Anyway, the proposed \$2,500 fund balance use is down \$500 from the current year budget and could possibly be increased if desired.

Plumbing Fees – The proposed \$3,000 line is based on the 5-year average for plumbing permit fees.

CEO Total - The proposed revenue budget from Code Enforcement Sources is increased by \$1,000.

Road Assistance – The road assistance amount sent by the State of Maine is very similar to Municipal Revenue Sharing – except we account for this inside of the budget. It's also subject to political whim and therefore, we have no true idea of the amount until the check comes in. The proposed figure is down roughly 9% from the current fiscal year. The check generally arrives in December.

Road Fund Use – The un-audited figure in the Road Fund is roughly \$141,000. The source for the increase in the fund balance is significantly less budgeted expense in the past two years due to a drop in paving costs. It is proposed to use \$25,000 from the Road Fund this year, as the proposed paving costs are higher than the current fiscal year, which did not utilize any use of the road fund.

Parks Fund – The Parks Commission has not yet submitted a budget. This generally would be used for any type of special project outside of the normal maintenance.

Recreation Fees – As with the Parks Commission, I will inquire of the Rec Committee a revenue and expense line. I have plugged a \$3,000 line in this budget for now.

Animal Control Revenues – The proposed \$1,500 is unchanged from the current fiscal year. It's based roughly on the 5-year average from dog licensing fees and fines.

Capital Projects Fund – The fund balance has (un-audited) \$55,000. The proposed \$10,000 revenue from this fund is to reflect a portion of the electronic sign.

As noted above, the municipal portion of the revenue budget is up roughly \$35,000.

Respectfully submitted,

Stu Marckoon, Adm. Asst. to the Selectmen